out earlier by ONGC, one exploration block namely, GV-ONN-2002/1 was offered under the fourth round of the New Exploration Licensing Policy (NELP). A Production Sharing Contract (PSC) was signed on 6th February, 2004 with a consortium of Cairn Petroleum India Ltd. and Cairn Energy Search Ltd., both of which are subsidiaries of Cairn Energy Plc., U.K. As regards future exploration work programme in this block, acquisition of 500 GLK 2-D seismic data and drilling of one exploratory well has been committed under the PSC.

Introduction of VAT

†*108. SHRI MOTILAL VORA:
SHRI ABU ASIM AZMI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to introduce VAT (Value Added Tax) in place of professional tax or sales tax;

(b) if so, the detailed outline thereof;

(c) whether Government have constituted a Committee of Finance Ministers of States to review the said tax;

(d) if so, the recommendations of the said Committee;

(e) whether he is aware of the fact that a number of State Governments have registered protest against the said Value Added Tax; and

(f) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (f) VAT is a State subject. On the recommendations of the Conference of Chief Ministers held in June, 2000, an Empowered Committee of State Finance Ministers was constituted by the Government of India to deliberate, *inter alia*, on matters relating to implementation of VAT by States/UTs.

At the meeting of the Empowered Committee of State Finance Ministers held on June 18, 2004, to which I was invited, there was broad consensus among States to implement VAT with effect from 1st April, 2005. However, Uttar Pradesh expressed some reservations in implementing VAT in that State with effect from 1st April, 2005.

† Original notice of the question was received in Hindi.